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**Final Report:  
Business Development Services**

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## **Overview of requests and questions on AGOA and business development**

The business development and linkages program facilitated relationship-building and information-sharing between businesses, governments, and private sector associations within the SADC region and with the US. Since July 2002, the Business Development Advisor responded to over 190 public and private sector requests for assistance from every AGOA-eligible SADC country and the US. 40 requests originated with regional/US government agencies and 150 with companies or private sector associations.

Most Hub partners sought information on export opportunities and regulatory requirements to access the US market. Others, particularly in the textile and apparel sector, used Hub expertise and knowledge of the region to find business and partnership opportunities. The Hub also assisted US government agencies and private sector associations to organize and participate in meetings/conferences in SADC countries.

Of the total 190 requests for assistance, 95 involved the cotton, textile and apparel sector, 23 involved home, gift and handicraft products, 7 involved leather, leather goods and footwear, 5 involved agricultural products and 4 involved other sectors. Another 56 government (US or regional) or international donor inquiries were not sector-related, including invitations to speak at conferences on topics like exporting under AGOA and regional supply chain development, conference support activities, and other information requests.

On average, the Business Development and Linkages Advisor would receive 2-3 emails, phone calls or faxes per day requesting assistance. Inquiries would range from complicated US Customs regulations on textile and apparel exports to simple document requests. The following were the most frequently asked subjects of questions related to AGOA, business development and export opportunities:

- AGOA regulations regarding textiles and apparel export specifically related to highly technical Customs requirements, such as rulings on collars and cuffs and Grouping 8 Short Supply Provisions
- Extension of LDC status under AGOA beyond September 30, 2004 for clothing exports
- Contact details for regional garment, textile and trimmings manufacturers to facilitate communication and assist with the organization of selling missions
- Product-specific research on exports to the US including duty status, major export competitors and volumes
- Buyer Identification Research, particularly in textiles and apparel
- Support to private sector associations and export development boards about regional context of supply chains such as leather, leather goods and footwear and textiles and apparel
- Products eligible under AGOA GSP and any requirements for export
- Business development advice on exporting to the US including pitfalls and necessary pre-requisites
- Support to US Embassies and handicraft producers for AGOA Grouping 9 submissions to US Department of Commerce
- US government requirements and regulations governing duty-free export of AGOA Grouping 9 products

- Requests from private sector associations, US government, regional governments, and international donors for organization assistance and participation in conferences concerning export and AGOA-related topics

The Hub has used many resources to respond to questions from stakeholders. The following Internet websites have been very useful tools:

- [www.usitc.gov](http://www.usitc.gov) - excellent trade data access for US imports of all products
- [www.agoa.gov](http://www.agoa.gov) - information on US associations and businesses as well as useful AGOA documents and links

Most questions were answered either directly by the business development and linkages advisor or through contacts within government agencies and private sector associations in Washington DC and regional stakeholders. As an example, if a company had a technical customs-related question regarding AGOA exports and the business development and linkages advisor could not respond herself, she would contact US Customs directly for guidance and share the information both with the specific company and the private sector association for that industry via an email list-serv or similar mechanism. The Hub also served as a facilitator in the Grouping 9 submission process between the Department of Commerce, regional US Embassies and handicraft producers to see that the process moved forward in as timely a manner as possible.

### **Current status of the business linkages activity**

The AGOA/Business Linkages team did not create a database of companies as such due primarily to a lack of appropriate IT support structures and access to the necessary information. The focus of the Hub was to facilitate interactions between businesses by providing contact details and company information on regional/US firms. The Hub was not given specifics about potential transactions due to the sensitive nature of the information. The Business Development and Linkages Advisor was unable to provide linkages with US buyers in every sector due to the lack of meaningful, interactive databases with up-to-date sector by sector information. An RFP was issued in February-March 2002 for a database similar to the US Importer's Guide and Interactive CD-ROM but was never received by the Hub. This information would have allowed a list of US importer contacts to be generated by product for potential regional exporters to draw on. Certainly, access to an information network of this sort would have significantly improved the project's responsiveness to diverse stakeholder demands.

As the most regional and fastest growing of the AGOA-related, employment-generating sectors, the Business Development and Linkages Advisor focused primarily on textiles and apparel developing contacts along the supply chain in all AGOA eligible countries and the United States. The Hub has developed at least 25 linkages between US apparel buyers and companies in Botswana, Swaziland, South Africa and Lesotho. The program has also strived to create ties between regional textile and garment manufacturers developing over 30 active sourcing relationships throughout the SADC region. The Hub was just beginning to provide similar information services for the regional leather, leather goods and footwear industry in April 2003.

The Business Development and Linkages Advisor frequently received requests from businesses to locate US companies for joint venture and export opportunities in the US.

More often than not, the company was not prepared for a joint venture and had never exported anywhere in the world before. The Hub focused efforts on counseling prospective exporters about the US market and encouraging them to export regionally first to learn the pitfalls and challenges before committing to overseas sales. Joint ventures between regional companies and the US have been very difficult to motivate. The Hub has not had adequate internal resources to assist with these activities. Companies interested in joint ventures with the US were generally referred to organizations like SAIBL and the Constituency for Africa in Washington DC. The Business Development and Linkages Advisor focused primarily on regional joint ventures and worked with partners in Southern Africa to find investment and business opportunities within SADC. The Hub has facilitated four major joint venture/investment opportunities in Botswana, Tanzania, Zambia and South Africa resulting in over \$15 million in total investment for the region – specifically Botswana and South Africa. Unfortunately, not every deal is a success but the Hub attempted to put potential partners together to everyone's mutual benefit.